

Article - Public Utilities

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§4-208.

- (a) This section applies to a public service company that:
 - (1) provides gas or electric services;
 - (2) is subject to a cost allocation manual approved by the Commission;
 - (3)
 - (i) engages in an unregulated business activity; or
 - (ii) has a subsidiary that engages in an unregulated business activity; and
 - (4) does not meet the standards for rate proceedings provided for under § 4-207 of this subtitle.
- (b)
 - (1) A public service company subject to this section shall file an independent audit opinion prepared by an entity approved by the Commission on the earliest of:
 - (i) once every 2 years; or
 - (ii) when the public service company:
 - 1. files a request for a change in its base rate under this subtitle; or
 - 2. has a major change in its corporate organization or structure as determined by the Commission.
 - (2) The independent auditor shall:
 - (i) examine:
 - 1. compliance by the public service company with policies and procedures of the public service company's cost allocation manual;
 - 2. proper allocation of costs to an affiliate of the public service company in accordance with the manual; and

3. appropriate charging of costs and transactions relative to the manual to the public service company and its affiliates; and

(ii) identify adjustments that should be made:

1. to the manual consistent with prior Commission rulings; and

2. to the public service company or to an affiliate of the public service company relative to the examination of the allocation of costs and charging of costs and transactions.

(c) The cost of the independent audit opinion filed under subsection (b) of this section shall be borne by the stockholders of the public service company.

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